

**Before the
Public Service Commission of South Carolina**

Docket No. 2020-4-G

**Annual Review of Purchased Gas Adjustment and
Gas Purchasing Policies of Piedmont Natural Gas Company, Inc.**

**Testimony & Exhibits of MaryBeth Tomlinson
On Behalf Of
Piedmont Natural Gas Company, Inc.**

1 **Q. Please state your name and business address.**

2 A. My name is MaryBeth Tomlinson. My business address is 4720 Piedmont
3 Row Drive, Charlotte, North Carolina.

4 **Q. By whom and in what capacity are you employed?**

5 A. I am employed by Duke Energy as the Manager of Gas Accounting for
6 Piedmont Natural Gas Company, Inc. ("Piedmont" or "Company").

7 **Q. Please briefly describe your education and experience.**

8 A. I received a B.A. degree in Accounting from Belmont Abbey College in
9 Belmont, NC in 1985. In 1985 I was employed by Hobbs, Crossley and Blacka
10 P.A. as a staff accountant. In 1987 I was employed by ALLTEL Corporation
11 as Manager of General Accounting. In 1995 I was employed by SeaLand
12 Service Corporation as Manager of Vessel Accounting. In 1999 I was
13 employed by United States Ship Management, LLC (USSM) as Manager of
14 General Accounting. In 2005 I was employed by HSBC Mortgage Corp. as
15 Manager of Accounting. In 2007 I joined Piedmont as the Manager of Special
16 Projects. In February 2008 I became the Manager of Corporate Accounting.
17 In August 2012 I became the Manager of Plant Accounting and Accounts
18 Payable. I accepted the position as the Manager of Gas Accounting in January
19 2015.

20 **Q. Please describe your responsibilities as Manager of Gas Accounting.**

21 A. My responsibilities include: recording the cost of gas on Piedmont's books,
22 maintaining a proper match of revenues and cost of gas in Piedmont's income
23 statements, recording Piedmont's margin in accordance with regulatory
24 requirements in each of the three state jurisdictions in which Piedmont

1 operates, verifying volumes and prices on all invoices relating to the purchase
2 and transportation of natural gas, and recording gas inventory accounts and
3 deferred accounts.

4 **Q. Have you previously testified before this Commission or any other**
5 **regulatory authority?**

6 A. Yes. I have previously testified before this Commission and before the North
7 Carolina Utilities Commission.

8 **Q. What is the purpose of your testimony in this proceeding?**

9 A. The purpose of my testimony in this proceeding is to report Piedmont's end-of-
10 period balances and accounting for its deferred gas costs accounts in order to
11 permit the Commission to determine that Piedmont's true-up procedures for the
12 Review Period have resulted in a properly stated cost of gas and that
13 Piedmont's gas costs are properly recorded in compliance with Piedmont's Gas
14 Cost Recovery Mechanism and Hedging Plan.

15 **Q. What is the Review Period for this proceeding?**

16 A. The Review Period for this proceeding is April 2019 through March 2020.

17 **Q. Has the Office of Regulatory Staff ("ORS") reviewed Piedmont's**
18 **accounting for its cost of gas for the Review Period in this proceeding?**

19 A. Yes. The Commission has previously ordered the Company to maintain an
20 account reflecting its gas costs each month, the amount of gas costs recovered
21 each month, and amounts deferred each month. The audit staff of the ORS has
22 conducted a detailed audit and review of the Review Period activity in that

1 account, as well as the detailed data supporting the accounting entries to that
2 account. A summary of the Review Period activity in that account is attached
3 hereto as **Exhibit__ (MBT-1)**.

4 **Q. Does the Company also maintain a Hedging Deferred Account?**

5 A. Yes. Effective April 1, 2002, Piedmont implemented an experimental natural
6 gas hedging program ("Hedging Plan") pursuant to Commission Order No.
7 2002-223. Pursuant to this program, Piedmont maintains a Hedging Deferred
8 Account in which it records the results of its hedging activities undertaken in
9 accordance with its Hedging Plan. The audit staff of the ORS has also
10 conducted a detailed review of the activity in this account and the detailed
11 accounting data supporting that activity. A summary of the Review Period
12 activity in Piedmont's Hedging Deferred Account is attached hereto as
13 **Exhibit__ (MBT-2)**.

14 **Q. Have the Company's Review Period gas costs been properly accounted**
15 **for?**

16 A. Yes.

17 **Q. Does this conclude your testimony?**

18 A. Yes.

Exhibit__ (MBT-1)

Piedmont Natural Gas Co., Inc. - South Carolina
Gas Cost Deferred Account Activity
Annual Prudence Review - Docket No. 2020-4-G
12 Months Ended March 31, 2020
Debits = Due from Customers (Credits) = Due to Customers

Exhibit__(M.B.)

Reporting Month ==>	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	
Gas Flow Month ==>	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Totals
Beginning Balance	(2,885,924.97)	(2,356,701.96)	(1,487,970.87)	(1,341,449.76)	(421,735.59)	137,263.90	998,699.45	1,640,554.97	1,241,054.64	(545,601.31)	(583,154.07)	(987,919.51)	
Billed vs. Filed Commodity True - Up	(298,792.23)	(322,683.64)	(967,966.22)	(367,172.86)	(638,304.28)	(380,270.90)	(474,687.72)	758,356.03	147,424.54	546,377.48	162,461.15	(225,930.28)	(2,061,188.93)
Demand True-Up	927,246.22	1,399,793.55	1,122,780.22	1,495,364.43	1,400,956.78	1,487,095.48	1,319,052.05	(790,422.42)	(1,161,124.11)	(1,800,167.45)	(1,434,348.20)	54,970.45	4,021,197.38
Negotiated Losses	-	-	-	-	-	-	-	-	-	-	-	-	-
Capacity Release Credits	(241,421.68)	(261,077.63)	(257,251.78)	(263,456.91)	(263,310.32)	(256,687.02)	(247,491.32)	(365,089.02)	(361,978.80)	(361,732.94)	(351,872.20)	(385,279.13)	(3,616,648.35)
SC Portion of Off System Sales Revenue	(87,952.50)	(534,848.68)	(462,737.99)	(437,862.00)	(293,213.61)	(229,382.48)	(120,476.32)	(342,359.95)	(1,103,632.64)	(948,375.25)	(671,087.92)	(288,201.08)	(5,520,130.42)
SC Portion of Off System Sales Costs	82,166.73	497,657.38	428,535.32	407,325.15	269,947.79	204,119.40	96,293.99	282,291.93	867,125.84	728,888.75	592,522.02	263,090.26	4,719,966.33
WNA	237.23	46.35	20.93	21.45	160.92	141.28	(2.17)	40,019.39	(236,278.58)	1,700,936.14	1,244,569.77	58,402.68	2,808,276.38
Supplier Refunds	-	-	(780.00)	(189.44)	-	(504.20)	-	(3.64)	(1,401.02)	-	-	-	(2,878.30)
SC - Uncollectibles	47,170.56	50,300.90	56,409.84	40,207.48	37,906.18	13,294.59	4,018.35	(23,463.24)	4,921.47	(2,622.44)	1,359.68	3,191.89	232,695.33
Monthly Hedging Transfer	107,451.50	44,005.50	230,631.50	47,446.50	45,111.00	22,530.00	62,573.50	38,196.00	57,555.00	100,172.00	52,775.00	58,576.88	867,024.38
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance Before Interest	(2,349,819.14)	(1,483,508.23)	(1,338,329.05)	(419,765.96)	137,518.87	997,600.05	1,637,979.81	1,238,080.05	(546,333.66)	(582,125.02)	(986,774.77)	(1,449,097.84)	
Interest	(6,882.82)	(4,462.64)	(3,120.71)	(1,969.63)	(254.97)	1,099.40	2,575.16	2,974.59	732.35	(1,029.05)	(1,144.74)	(1,289.59)	(12,772.69)
Ending Balance	(2,356,701.96)	(1,487,970.87)	(1,341,449.76)	(421,735.59)	137,263.90	998,699.45	1,640,554.97	1,241,054.64	(545,601.31)	(583,154.07)	(987,919.51)	(1,450,387.43)	
Monthly Interest Rate	3.155%	2.789%	2.650%	2.684%	2.153%	2.325%	2.344%	2.480%	2.530%	2.190%	1.750%	1.270%	

Exhibit__ (MBT-2)

Piedmont Natural Gas Company, Inc. - South Carolina
Hedging Account Activity
Annual Prudence Review - Docket No. 2020-4-G
12 Months Ended March 31, 2020
Debits = Due from Customers (Credits) = Due to Customers

Exhibit__ (MBT-2)

		# of Contracts Executed / Exercised	Beginning Balance	Net Options Premium	Fees 1	Margin Requirement (P&L Cash Act)	Consultant Fees	Proceeds from Positions	Fees 2	Interest from Brokerage Account	Other Monthly Fee	Monthly Gain / Loss Transfer
April 2019		97	\$ -	105,390.00	1,503.50	-	558.00	-	-	-	-	107,451.50
May 2019		45	\$ -	42,750.00	697.50	-	558.00	-	-	-	-	44,005.50
June 2019		217	\$ -	226,710.00	3,363.50	-	558.00	-	-	-	-	230,631.50
July 2019		47	\$ -	46,160.00	728.50	-	558.00	-	-	-	-	47,446.50
August 2019		46	\$ -	43,840.00	713.00	-	558.00	-	-	-	-	45,111.00
September 2019		24	\$ -	21,600.00	372.00	-	558.00	-	-	-	-	22,530.00
October 2019		61	\$ -	61,070.00	945.50	-	558.00	-	-	-	-	62,573.50
November 2019		36	\$ -	37,080.00	558.00	-	558.00	-	-	-	-	38,196.00
December 2019		54	\$ -	56,160.00	837.00	-	558.00	-	-	-	-	57,555.00
January 2020		104	\$ -	98,560.00	1,612.00	-	-	-	-	-	-	100,172.00
February 2020		50	\$ -	52,000.00	775.00	-	-	-	-	-	-	52,775.00
March 2020		56	\$ -	56,560.00	868.00	-	1,148.88	-	-	-	-	58,576.88
Activity Totals				847,880.00	12,973.50	-	6,170.88	-	-	-	-	867,024.38